

**FINANCIAL POLICIES AND PROCEDURES ADVISORY COMMITTEE MEETING**  
**Minutes January 29, 2021 at 9:30 a.m.**

**Meeting Logistics**

CDE presenters today include Kate Bartlett, Adam Williams, Tim Kahle, Kelly Wiedemer, Megan Richardson, and myself. Jennifer Austin will also be monitoring today's discussion. Kate is the School District Operations Executive Director, responsible for School Auditing, School Finance, School Transportation Fiscal Support and Reporting, and Grants Fiscal Management. She is new to the School Finance and Operations team, but not new to CDE or school district operations.

Please sign into the chat feature. We will use this for attendance. If you have any problems, please send an email to [richardson\\_m@cde.state.co.us](mailto:richardson_m@cde.state.co.us).

The agenda and prior minutes were approved as no dissent was expressed.

**New FPP Members**

Megan Richardson officially introduced the newest FPP Members thru August 2024: Mr. Brad Arnold of Cherry Creek 5, Ms. Chloe Flam of NW BOCES. Mr. John Wall of Moffat County RE-1, Ms. Angela Skalla of Widefield 3, Mr. Jack Bay of Chavez Huerta Prep. Academy.

**Legislative Updates**

Tim Kahle provided some legislative updates related to School Finance. In addition to covering the information power point slides, Tim explained that we do not yet know what the reporting requirements will be for the rural funding. We are still working on these details. We may need to come back to FPP on coding to accomplish the expected reporting.

Mike Madden

Tim - The supplemental is a substantial amount of money. I understand the exact dollar amount could change....but, how likely do you believe it is that the Supplemental will pass the legislature? Trying to determine if we can count on that money in our 20/21 budget.

\_\_\_ asked about how likely it is for the supplemental bill to be passed by the General Assembly will be equal to what the JBC approved. CDE believes it is unlikely that there will be legislative changes to the mid-year supplemental.

The FPP was requested to approve a change to the state share December/January true-up process. The current year has presented a unique situation with two districts with increasing student count more than 50% due to a large increase in multi-district student enrollment. The proposed change is to allow districts with districts that have experienced more than 50% student growth to XYZ. Justin Petrone made a motion to approve and Mimi Livermore/Stephen Clawson, Jana Schleusner, Amanda Smith, Angela Slaven, John Wall, Pat Petrukitas seconded/approved the motion. There was no dissent, so this motion passed.

## Federal Stimulus Funding

Kate Bartlett provided updates on federal stimulus funding. In addition to covering the information power point slides, the following queKate....

Bill Sutter

Is there any discussion of CDE not holding onto \$50M of ESSER 2 funds and direct distribute more of those funds to school districts?

Bill Sutter

Just because it is authorized for CDE to hold back 10%, is there some requirement to do so, or could more be distributed out?

Bill Sutter

The administrative burden on districts to apply for grants and CDE to administer is significant and seems like a waste of funds instead of providing directly to districts.

A question was raised about the 10% state set aside, encouraging CDE to distribute these funds directly to districts and to be mindful of the administrative burden on districts that has come with these funds. CDE is currently evaluating the best use of the state set-aside, discretionary funds, with district stakeholder input. Similar to ESSER I, we are looking at using these funds to district

Jeremy Burmeister

Will the monitoring follow federal guidelines or additional monitoring rules put together by CDE?

John Wall asked what types of expenditures can be used from ESSER related to HVAC and air quality. ESSER II specifically called out \_\_\_\_ as an allowable use...Add link to Harvard.

John Wall

what are the kind of projects for air quality that would be allowable under ESSER?

Bill Sutter question Charge against CDE's 2.5 admin or just their .5% CDE clari Districts can charge up to the

Bill Sutter

Do districts get to charge against CDE's \$2.5M of admin costs? Or do we just get to charge 0.5% of what our district received?

Bill Sutter

There is some fixed cost of administration of these funds and the wide variation of how much districts received.

Nikki + Jennifer QA

Nikki Schmidt

Will expenses only be allowed after our application is approved, or can we move forward with items thta we know would be an allowable expense

Once you have a substantially approvable application submitted, you can begin to spend, but take the risk at all times without a formal approval.

Nikki - period of availability goes back to 3/13/20, so it will just be a risk of how comfortable you are about the costs in question (whether they are allowable).

Jennifer Austin

if going back to 3/13, take into consideration if your books are open, audit done and pipeline done?

STEPHEN CLAWSON

Are there restrictions on revenue replacement?

Elizabeth Duncan

Can you please speak to loss of revenue in Food Service Funds?

Revenue replacement - Nutrition salaries (lost revenue) – allowable if explanation of relationship to COVID (respond to, prevent, reduce spread) and sufficient info to obtain reasonableness (# positions/FTE, salary)

– if necessary, reasonable, allocable for continuing educational services/necessary to maintain the operation of and continuity of service

Hollie Harlan

This might be a stretch, but want to know if Failed food equipment falls under an allow capital expense under esser I and / esser II? Yes line a failed steamer / fridge

Food service – failed equipment. Yes, above would apply with food service equipment, I would check with Nutrition to determine if all other sources of funding are exasperated.

Jennifer Austin

and if Food service funds are exhausted, then I agree with Kate

Update on USDA funding More to come

Financial Reporting Updates

Adam Williams and Kelly Wiedemer provided updates on financial reporting updates. In addition to covering the information power point slides, Jennifer Okes clarified that the intent behind the proposed changes to the handbook is to reflect the valid legal debate on the interpretation of C.R.S.\_\_\_\_.

Therefore, we are proposing removal of language that reflects the more restrictive interpretation, in deference to district and district legal counsel interpretation.

Stephen Clawson made a motion to approve and Brad Arnold, Justin Petrone, and Jana Schleusner seconded/approved the motion to approve the proposed changes to the FPP Handbook. There was no dissent, so this motion passed. CDE will incorporate these changes as well as a couple of administrative changes (staffing, SBE members,

Equipment vs Non-Capitalized Equipment Discussion

Kate Bartlett presented the use of object codes for supplies (0600), non-capital equipment (0735), and equipment (0730) as outlined in the slides. While the definition of 0735 allows for non-capital

equipment may be coded as a supply (0600 series). The preferred object code would be 0735. This has raised some confusion as we reviewed ESEA and ESSER applications. These are consumables... Additionally, this has come up with federal USDE discussions. Therefore, there may be

Jeremy indicated this would cause additional confusion as this would not be capitalized. Object 0735

Jana question about application 0735 is in ESSER II app - confirmed by Jen austin

David J - Price and Useful life – supplies If this is in district policy, always follow district internal procedures

Jana

Kara

Gina

Nikki – why either or

May be future discussion for coding changes. Future agenda item. USDE and FT presentation

Melissa is allowed

Michelle 0660 and 0735. Jennifer A

Kelly Fed wants Yes - needing to be able to report on technology-related supplies purchased with fed CARES Act \$.

[11:05 AM] Richardson, Megan

Jen austin stated in the chat that the either/or language in 0600 and 0735 should be removed

(1 liked)

[11:06 AM] Wiedemer, Kelly

Yes - needing to be able to report on technology-related supplies purchased with fed CARES Act \$.

Jeremy Burmeister

My thought is it would cause additional confusion as it does not meet capitalized threshold?

Jana Schleusner

Would the applications be changed to allow for 0735? I don't think that is currently an option on the application, buy maybe I am wrong on that.

Jennifer Austin

supplies are typically consumables

David Janak

Districts would usually have some definition related to price and useful life that would define supply versus noncapital equipment.

Jana Schleusner

It also drives me crazy in general that 0735 is in the middle of capital items and is not capital. I like the 0600 coding

Jennifer Austin

right on David J

Kera Badalamenti

PSD seconds what Jeremy and Jana said

Gina Lanier

Totally agree with Jana

Jennifer Austin

I will try and login and check now

Nikki Schmidt

Why does the chart of accounts have either/or.. should we change the chart of accounts to require it to be one or the other?

Jennifer Austin

yes follow internal procedures

Jennifer Austin

always

Melissa Kirchner

0735 is allowed on the ESSER I application

Michelle Carr

what's the difference between 0660 and 0735

Jennifer Austin

I feel that either or in 0600 or 0735 should be removed, it is confusing and supplies are typically always consumables, not highly attractive or walkable items

Jennifer Austin

0735 and 0730 are in ESSER I look at II now

Lana Niehans

Our district uses 0734 specifically due to the BOE policy to Inventory of Technology includes all walkable technology.

Jennifer Austin

yes it is in ESSER II also

Jennifer Austin

0734 is not an avail option in ESSER I or II as it is not typically used for these small walkable, yet trackable items

STEPHEN CLAWSON

We use 0735 to identify non capital assets for tracking. Prefer not to change COA.

Other Topics of Interest

OSA Gina Fal - board member approval

I will be happy to briefly go over OSA deadlines for audit and single audit submissions to our office

CASBO

Upcoming Meetings are March 25th, May 28th, and June 24th.

[NCES](#) is the National Center for Education Statistics. They are a unit under the Institute of Education Sciences (IES), which is the statistics, research, and evaluation arm of the U.S. Department of Education (USDE). NCES is the 'primary federal entity for collecting and analyzing data related to education'. This is the group that we provide the consolidated reporting to from Financial December data pipeline each year. CDE has not been provided any specific information on the plans for this information. For example, we were not informed if the results of this study will be published in a report or simply used for internal evaluation within the USDE.

the "NAEP 2021 School Survey." CCSSO heard feedback from several state chiefs earlier this week about this data collection, and we shared this input with the Department. We are pleased they were responsive in clarifying the purpose of this data collection and how the data will (and will not) be used. As the letter notes, "The results will not be used for allocating or withholding federal funds in any way. As is always the case with NAEP, all data will be aggregated and will not be publicly reported at the school-level."